

Congress of the United States
Washington, DC 20515

April 24, 2024

The Honorable Gina Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, D.C. 20230

Dear Secretary Raimondo:

We write with regard to concerning reports that Huawei Technologies Co., Ltd. (Huawei), a sanctioned telecommunications company from the People's Republic of China (PRC), is releasing a computer powered by Intel's new Core Ultra 9 processor.¹ This news suggests the U.S. Department of Commerce authorized the export of U.S. technology to Huawei. This would be unacceptable and a failure to enforce export controls against a blacklisted champion of the Chinese Communist Party (CCP), which is actively working against the security interests of the United States. We urge you to reconsider this damaging posture and immediately revoke all export licenses to Huawei.

As you know, in 2019, Huawei was placed on the Department of Commerce's Bureau of Industry and Security's Entity List because of its efforts to undermine America's national security. Huawei is closely linked to the CCP and its armed wing, the People's Liberation Army (PLA).² The company also has a troubling and well-documented history of spying on our nation's most sensitive military installations, as well as third-party countries.^{3,4} Huawei is currently subject to a "presumption of denial" licensing policy, but recent reporting makes clear that U.S. technology, including cutting-edge Intel processors, continues to flow to Huawei.

The Intel chipset in question is reportedly cutting-edge, with built-in Artificial Intelligence (AI) capabilities that allow users to perform AI tasks without relying on servers in the cloud. Allowing cutting-edge American technology into Huawei's newest PC will only make it easier for the CCP to evade U.S. technology restrictions and race ahead in AI. Your department's failure to enforce your own export-control regime will aid the CCP and the PLA as they seek to undermine America's prime position in the world.

Unfortunately, this is not the first time that Huawei has benefited from lax enforcement of U.S. export controls. Licenses issued in 2020, at least some of which are active to this day, have allowed Huawei to collaborate with Intel and Qualcomm to keep its PC and smartphone segments alive. Your deputy, Under Secretary of Commerce for Industry and Security Alan Estevez, previously stated those licenses were "under assessment," though it seems nothing came

¹ <https://asia.nikkei.com/Business/Technology/Huawei-says-it-will-start-selling-PCs-powered-by-Intel-s-AI-chip>

² <https://www.federalregister.gov/documents/2019/05/21/2019-10616/addition-of-entities-to-the-entity-list>

³ <https://www.cnn.com/2022/07/23/politics/fbi-investigation-huawei-china-defense-department-communications-nuclear/index.html>

⁴ <https://www.aspistrategist.org.au/the-african-union-headquarters-hack-and-australias-5g-network/>

of that assessment.⁵ More troubling, last year, Huawei announced a new smartphone, the Mate 60 Pro, powered by a chip produced at the 7 nanometer node of production by Semiconductor Manufacturing International Corporation (SMIC), the CCP's blacklisted chip champion. That chip allegedly was produced with equipment from two U.S. firms, Applied Materials Inc. and Lam Research Corp.⁶ Estevez has said that SMIC "potentially" violated U.S. export controls, but that "we will have to assess."⁷ Unsurprisingly, nothing has come of that assessment.

While the Biden Administration "assesses," Huawei grows stronger, entrenches deeper in the global economy, and advances PLA military capabilities. According to the *Wall Street Journal*, Huawei predicts that its revenue grew by nine percent in 2023, with a 64 percent increase in domestic smartphone sales.⁸ The company gained domestic market share for both PCs and smartphones. It is clear from these trends that Huawei, a blacklisted company that was on the ropes just a few years ago, is making a comeback. It is coming back because the Biden Administration, led by your department, is failing to protect American ingenuity.

Last year, you asked for additional resources for BIS to fully enforce export controls.⁹ BIS will not deserve those resources if it cannot do its job by keeping U.S. technology from our adversaries. We urge you to immediately revoke the export licenses that are allowing American technology to aid our adversaries in order to deprive Huawei of valuable U.S. technology and slow the CCP's advance to the technological frontier.

Sincerely,



Marco Rubio
U.S. Senator



Elise M. Stefanik
Member of Congress

⁵ <https://www.reuters.com/technology/us-policy-allowing-some-us-tech-shipments-chinas-huawei-under-assessment-us-2023-02-28/>

⁶ <https://www.bloomberg.com/news/articles/2024-03-08/huawei-chip-breakthrough-used-tech-from-two-us-gear-suppliers>

⁷ <https://www.reuters.com/technology/chinas-smic-may-have-violated-us-export-curbs-make-huawei-chip-official-2024-03-21/>

⁸ <https://www.wsj.com/business/telecom/huaweis-return-is-case-study-in-u-s-powerand-its-limits-b6175cff>

⁹ <https://www.reaganfoundation.org/media/361835/rndf-2023-fireside-chat-transcript-sec-raimondo.pdf>